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FISCAL IMPACT STATEMENT

LS 7189

BILL NUMBER: SB 243

NOTE PREPARED: Jan 1, 2007

BILL AMENDED:

SUBJECT: License Plate Issuance Cycle.

FIRST AUTHOR: Sen. Alting

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill authorizes the Commissioner of the Bureau of Motor Vehicles (BMV) to determine the length of the cycle for issuance of license plates, with certain restrictions.

Effective Date: July 1, 2007.

Explanation of State Expenditures: The bill allows the Commissioner of the BMV to establish the cycle length for license plates to be at least 5 years, but not more than 8 years. Currently, the cycle length is established in statute to be 5 years.

An eight-year plate cycle will mean a loss of production of approximately 5 million plates in the cycle for the Department of Correction (DOC). For the BMV, there will be a savings of approximately \$15.95 M.

The fund affected for the BMV is the Motor Vehicle Highway Account, which supports the BMV and from which come funds for the manufacture of license plates. For plate years, the BMV requests additional funds in their appropriation requests to cover the cost of license plate manufacturing.

Background Information: For the 5-year plate renewal cycle beginning in 1998, PEN PRODUCTS, the manufacturing and sales arm of the DOC, reports that 6,274,351 plates were produced. In 2003, the most recent plate renewal year, 6,197,200 plates were produced. The other four years in the plate cycle average about 1 million plates per year.

Explanation of State Revenues: An 8-year plate cycle will mean a loss of production of approximately 5 million plates in the cycle for the DOC, and the DOC will see a reduction in their revenue of the same amount as the reduced BMV expenditures, approximately \$15.95 M. For the DOC, the fund affected is the

PEN PRODUCTS Revolving Fund.

Background Information: The DOC notes that the impact of an 8-year plate cycle on inmate employment is expected to be minimal.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Bureau of Motor Vehicles; Prison Enterprise Network (PEN PRODUCTS) of the Department of Correction.

Local Agencies Affected:

Information Sources: Becky Deeb, PEN PRODUCTS, 317-388-8580, Ext. 220; Mike Jones, Controller, PEN PRODUCTS, 317-388-8580, ext. 238.

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